

New Jersey families and small businesses will have more control over credit

Washington, DC - Congressman John Adler, a member of the House Financial Services Committee, today announced his support for a law that will protect New Jersey families and small businesses by applying common-sense regulations on credit card companies. The measure, which Congress passed earlier this week, will ban retroactive interest rate hikes on existing balances, double-cycle billing, and due-date gimmicks. President Obama signed the legislation into law today.

"Hard working New Jersey families and businesses have been trapped too many times by credit card companies trying to make a profit. It's just wrong," said Congressman Adler, who voted to pass the legislation out of the Financial Services Committee earlier this year. "This bill will ensure that New Jersey residents are in control of their credit."

In 2008, credit-card issuers imposed \$19 billion in penalty fees on families with credit cards and this year, card companies will break all records for late fees, over-limit charges, and other penalties, pulling in more than \$20.5 billion. Credit-card debt in the U.S. has reached a record high -nearly \$1 trillion -- and almost half of American families currently carry a balance, and for those families the average balance was \$7,300 in 2007. One-fifth of those carrying credit-card debt pay an interest rate above 20 percent.

Today, President Obama signed the Credit Card Accountability, Responsibility, and Disclosure (CARD) Act of 2009. The law will apply common-sense regulations that would ban retroactive interest rate hikes on existing balances, double-cycle billing, and due-date gimmicks. It will also increase the advance notice of impending rate hikes, giving cardholders the information they need and rights to make decisions about their financial lives.